

**ABSTRACT**

Agriculture & Cooperation Department - Amendment to Rule 73 of the Andhra Pradesh (Agricultural Produce & Livestock) Markets Rules, 1969 – Preliminary Notification – Issued.

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**AGRICULTURE & COOPERATION (MKTG.IV) DEPARTMENT**

G.O.Ms.No. 133

Date :30-06-2012

Read the following

- 1) G.O.Ms.No.1990, Food & Agri,(Legislation), Dept., Dt:17.10.1969.
- 2) From C&DM Lr.No.Projects/4845/2005 Dt.16-12-2010, 17-1-2011 and 4-1-2012.

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**ORDER:**

The following notification will be published in the next Extra-Ordinary issue of the Andhra Pradesh Gazette.

**PRELIMINARY NOTIFICATION**

Whereas, in view of the changed scenario in the trading of Agricultural commodities and with the advent of World Trade Organization, the Government of India have piloted a Model Markets Act providing with various options communicated to all the States for adoption. The Model Act is mostly based on the Andhra Pradesh (Agricultural Produce & Livestock) Markets Act, 1966, with a few exemptions like private marketing and contract farming. As a part of liberalization, certain amendments have been made to the Andhra Pradesh (Agricultural Produce & Live Stock) Markets Rules, 1969.

2. And whereas, it is proposed to amend the Andhra Pradesh (Agricultural Produce & Live Stock) Markets Rules, 1969 issued in G.O.Ms.No.1990, Food & Agriculture Department, dated 17.10.1969 suitably so as to make provisions for private marketing and contract farming.

3. Now, therefore, as required under sub section (4) of section 33 of the Andhra Pradesh (Agricultural Produce & Live Stock) Markets Act, 1966, notice is hereby given that the said amendment will be taken into consideration by the Government on or after the expiry of a period of thirty (30) days from the date of publication of this Notification in the Andhra Pradesh Gazette and any objections or suggestions which may be received with respect thereto may be considered by the Government of Andhra Pradesh.

4. The objection and suggestions, if any, may be sent to Special Chief Secretary to Government (AM & C), Agricultural Marketing & Cooperation Department, Andhra Pradesh, Hyderabad, through the Commissioner & Director of Agricultural Marketing, Andhra Pradesh, Hyderabad.

**AMENDMENTS**

In the said Rules :

1. in rule 73-A ;-

- (i) in sub rule (1) after the expression “11-A”, the following shall be added namely;- “ or 11-B. However the contract farming producer and contract farming buyer shall be at liberty to mutually decide the terms and conditions of the contract farming agreement, which shall not be contrary to the provisions of the Act and the Rules and the same shall be informed to the Market Committee / Assistant Director ”.

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(ii) after sub- rule (4), the following shall be added, namely;-

“(4)(a) The Contract farming buyer shall submit within 15 (fifteen) days from the date of execution of agreement, the original copy of the contract farming agreement to the market committee or Assistant Director of Marketing, who shall acknowledge and record the same”.

2. After Form 11-A, Form 11-B shall be added.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

I.Y.R. KRISHNA RAO,  
SPECIAL CHIEF SECRETARY TO GOVERNMENT.

To

The Commissioner of Printing, Stationery & Stores Purchase ( Printing Wing),  
A.P, Hyderabad – (He is requested to publish the Notification immediately in the  
next issue of the extra-ordinary A.P Gazette and supply 100 copies to Agri & Co-  
operation Dept., and 100 copies to C&DAM, A.P, Hyderabad.

The Commissioner & Director of Agricultural Marketing, A.P., Hyderabad.

Copy to:

The Law (J) Department.

The P.S to Addl.. Secy to C.M

The OSD to Minister (Mktg. & WH)

The P.S to Spl. Chief Secretary to Govt.(AM & C), A & C Dept.

SF/SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER.

**Form 11-B**  
[Under Rule 73A]  
**Model Agreement for Contract Farming**

This Agreement is made and entered into at ..... on the ..... day of ....., between ..... age..... residing at ....., hereinafter called the party of the First Part (which expression shall unless repugnant to the context or meaning thereof means and includes his heirs, executors, administrators and assigns) of the First Part, and Shri /M/s.....a Pvt./Public Limited Company incorporated under the provisions of Companies Act, 1956 and having its registered office at ..... Hereinafter called the party of the Second Part (which expression shall unless repugnant to the context or meaning thereof means and includes its successors and assigns) of the other part.

2. Whereas, the party of the First Part is the owner/cultivator of the agricultural land bearing the following particulars:-

Village (1)	Survey No. (2)	Area in Hectare/acres (3)	Mandal and District (4)	State (5)

3. And Whereas, the party of the Second Part is trading in agriculture produce and also providing technical know-how in respect of land preparation, nursery, fertilization, pest management, irrigation, harvesting and alike things.

4. And Whereas, the party of the Second Part is interested in the item of the agricultural produce more particularly mentioned in the Schedule annexed with this form and at the request of the party of the Second Part and party of the First Part has agreed to cultivate and produce the items agricultural produce mentioned in the Schedule annexed hereto.

5. And Whereas, the parties hereto have agreed to reduce in writing the terms and conditions in the manner hereinafter appearing.

6. Now, the present witness and it is hereby agreed by and between the parties as follows:-

- (1) The party of the First Part agrees to cultivate and produce and deliver to the party of the Second Part and the party of the Second Part agrees to buy from the party of the First Part the items of the agricultural produces particulars of the items, quality, quantity and price of the items are more particularly mentioned in the Schedule annexed hereto.
- (2) The agricultural produce particulars of which are mentioned in the Schedule annexed hereto shall be supplied by the party of the First Part to the party of the Second Part within the period of ..... months/years from date hereof and after the expiration of said period, this agreement shall automatically come to an end.
- (3) The party of the First Part agrees to cultivate, produce and supply quantity mentioned in the Schedule annexed hereto the party of the Second Part.

- (4) The party of the First Part agrees to supply the quantity contracted according to the quality specifications stipulated in the Schedule annexed hereto.

If the agricultural produce is not as per the agreed quality standards, the party of the Second Part shall be entitled to refuse to take the delivery of the agricultural produce only on this count.

The party of the Second part cannot demand damages if the produce harvested does not conform to the specifications and quantity agreed upon

On refusal to take the delivery of the agricultural produce,-

- (a) the party of the First Part shall be free to sell the produce to the party of the Second Part at a mutually renegotiated price;
- (b) If the renegotiated price is not acceptable to the party of the first party, the party of the first part shall be free to sell his produce in the open market/market yard.
- (5) The party of the first part agrees to deliver the agreed quantities of commodities to the party of the second part and if any left over quantity, the party of the first part is at liberty to dispose off the commodities to others by giving preference to the party of the second part.
- (6) the party of the first part agrees to adopt instruction or practices in respect of the land preparation, nursery, fertilization, best management, irrigation harvesting and any other, as suggested by the party of the second part, from time to time and cultivate and produce, the items as per the specifications mentioned in the schedule annexed hereto.
- (7) It is expressly agreed by and between the parties hereto that buying shall be as per the following terms and buying slips shall be issued immediately after the purchase.

Date (1)	Delivery Point (2)	Cost of Delivery (3)

It is further agreed that it shall be the responsibility of the party of the Second Part to take into possession of the contracted produce at the delivery point after it is offered for delivery and if he fails to take delivery within ..... period then the party of the First Part shall be free to sell the agriculture produce contracted.

- (8) The party of the Second Part shall pay to the party of the First Part the price or rate mentioned in the Schedule annexed hereto when his crop has been harvested and delivered to the party of the Second Part after deducting all outstanding advances given to the party of the First Part by the party of the Second Part.

The following table shall be followed for the payment.

Date (1)	Mode of Payment (2)	Place of Payment (3)

- (a) The mutually agreed price or rate shall not be less than Minimum Support Price, for the commodities covered under Minimum Support price and the commodity shall meet the FAQ standards.
- (9) The party of the Second Part hereby agrees to provide following services to the party of the First Part during the period of cultivation and post harvest management. The particulars of the services are as follows:-
- (1)
  - (2)
  - (3)
  - (4)
- (10)The party of the Second Part shall not thrust the labour on the part of the First Part.
- (11)The party of the Second Part or it's representatives agrees to have regular interactions with the agriculturist forum setup or named by the party of the First Part during the period of contract.
- (12)The party of the Second Part or it's representatives at their costs shall have the right to enter in the premises or the fields of the party of the First Part to monitor farming practices adopted and the quality of the produce from time to time.
- (13)The party of the Second Part confirms that he has registered himself with the Sponsor Registering Authority ..... on ..... and shall pay the fees in accordance with the rules prevailing in this regard to the Sponsor Registering Authority which has jurisdiction to regulate the marketing of agriculture produce which is cultivated on the land described ..... ; or the party of the Second Part has registered himself on ..... with a Sponsor Registering Authority namely ..... prescribed by the State Government in this regard. The fees levied by the respective Sponsor Registering Authority shall be borne by the party of the Second Part exclusively and shall not be deducted in any manner, whatsoever, from the amounts paid to the party of the First Part.
- (14)The party of the Second Part shall have no rights whatsoever as to the title ownership, possession of the land/property of the party of the First Part nor shall it in any way alienate the property of the First Part particularly nor mortgage, lease, sub-lease or transfer the land property of the First Party in any way to any other person or institution during the continuance of this agreement.

(15)The party of the Second Part shall submit original copy of this agreement signed by both the parties within a period of fifteen day form the date of execution thereof with the ..... market committee or Sponsor Registering Authority as required by the **Andhra Pradesh** (Agricultural Produce & Live Stock) Markets Act, 1966 or any other registering authority prescribed for the purpose.

(16)Dissolution, termination or cancellation of the Contract Farming Agreement shall be with the consent of both the parties. Such dissolution or termination or cancellation deed shall be communicated to the Designated Authority within a period of fifteen days of such dissolution, termination or cancellation.

(17)In the event of any dispute or differences arising between the parties hereto or as to the rights and obligations under this agreement or as to any claim monetary or otherwise of one party against the other or as to the interpretation and effect of any terms and conditions of this agreement, such dispute or differences shall be resolved as per sub sections (3) and (4) of section 11 A of the Andhra Pradesh (Agricultural Produce & Livestock) Markets Act,1966.

(18)The party of the Second Part has agreed to give Third Party guarantee in the form of bank guarantee to an amount of Rs.2,00,000/- ( Rs.Two Lakhs only) in favour of Assistant Director of Marketing of concerned District.

(19) In case of change of address of any party to this agreement, it shall be intimated to the other party and also to the Designated Authority.

(20) Each party hereto shall act in good faith diligently and honestly with the other in the performance of their responsibilities under this agreement and nothing will be done to jeopardize the interest of the other.

In witness whereof the parties have signed this agreement on the ..... day, ..... month and ..... year first above mentioned.

Signed, Sealed and Delivered by the within named 'Party of the First Part' in the presence of

1.....

2.....

Signed, Sealed and Delivered by the within named 'Party of the Second Part' in the presence of

1.....

2.....

**Schedule**  
**Grade Specification, Quantity and Price Chart**

Grade (1)	Specification (2)	Quantity (3)	Price/Rate (4)
Grade 1 or A	Size, Colour, Aroma etc.,		

**OR**

**Schedule**  
**Grade Specification, Quantity and Price Chart**

	Grade (1)	Specification (2)	Quantity (3)	Price/Rate (4)
1 <sup>st</sup> Picking				
2 <sup>nd</sup> Picking				
3 <sup>rd</sup> Picking				

I.Y.R. KRISHNA RAO,  
SPECIAL CHIEF SECRETARY TO GOVERNMENT.